

DCS/AMAL/SD/R37/1001/2017-18

December 15, 2017

The Company Secretary  
**SBEC SUGAR LTD.**  
Malakpur, Lohan, Distt Baraut,  
Baghpat, Uttar Pradesh- 250611.

Sir,

**Sub: Observation letter regarding the Draft Scheme of Amalgamation of SBEC Bioenergy Ltd with SBEC Sugar Ltd and their respective shareholders and Creditors**

We are in receipt of Draft Scheme of Amalgamation of SBEC Bioenergy Ltd with SBEC Sugar Ltd and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated December 15, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company to ensure that information submitted by SBEC Sugar Ltd vide email dated November 15, 2017, pertaining to Mr. Jayesh Modi, Mrs. Kumkum Modi, M/s. Longwell Investment Private Ltd and SBEC Systems (INDIA) Ltd. (Copy attached) is disclosed in the scheme under the heading “action taken by SEBI/RBI” and the same is brought to the notice of shareholders and NCLT.”
- “Company to ensure that information submitted by SBEC Sugar Ltd vide email dated November 15, 2017, pertaining to Mr. Umesh Kumar Modi, Mr. Abhishek Modi, Mr. Krishan Kumar Modi, Mr. Mahendra Kumar Modi, Mr. Manish Modi, Mr. Rakesh Kumar Modi, Mr. Santosh Kumar Aggarwal, Mr. Krishna Kumar Jain, Mr. Suraj Parkash Modi, all being the directors/promoters of Modi Industries Ltd. When the Company was declared wilful defaulter, is included in the explanatory statement to the notice sent to shareholders for approval of the scheme and the same is brought to the notice of NCLT.”
- “Company shall ensure that additional information, if any, submitted by the company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

(2)

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

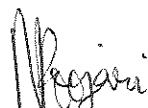
Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT. Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed;
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



**Nitin Pujari**  
**Sr. Manager**

Dated: 14.11.2017



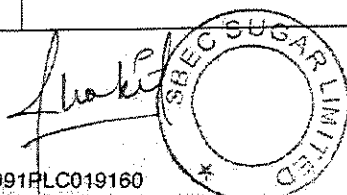
# SBEC SUGAR LIMITED

To,  
The General Manager,  
Listing Department  
Department of Corporate Services,  
Bombay Stock Exchange Limited,  
P.J. Towers, Dalal Street,  
Mumbai-400001

**Sub: Response to E-mail dated 31.10.2017 regarding Scheme of Amalgamation of SBEC Bioenergy Limited with SBEC Sugar Limited**

Dear Sir(s),

S. No.	QUERY	RESPONSE/CLARIFICATION
1.	<p><b>(1) List of RBI wilful defaulters:</b></p> <p>1. Abhishek Modi, Krishan Kumar Modi, Mahendra Kumar Modi, Manish Modi, Rakesh Kumar Modi, Santosh Kumar Aggarwal, Umesh Kumar Modi in the matter of Modi Industries Ltd in connection with General Insurance Corporation of India, Mumbai.</p>	<p>It is submitted that Shri Umesh Kumar Modi is the Promoter Director of SBEC Sugar Ltd and is currently also the Chairman of the Board of Directors of both SBEC Sugar Ltd and SBEC Bioenergy Ltd.</p> <p>Shri Abhishek Modi is the son of Shri Umesh Kumar Modi and presently holds the position of Executive Director in SBEC Sugar Ltd and Whole Time Director in SBEC Bioenergy Ltd.</p>
	<p>2. Krishna Kumar Jain, Umesh Kumar Modi, Abhishek Modi, Mahendra Kumar Modi, Suraj Parkash Modi, Rakesh Kumar Modi, Krishan Kumar Modi in the matter of Modi Industries Ltd in connection with Life Insurance Corporation of India, Central office, Mumbai, IDBI, IFCL, GIC</p>	<p>Shri Krishan Kumar Modi is the brother of Shri Umesh Kumar Modi, however apart from this Shri Krishan Kumar Modi has no other association with either SBEC Sugar Ltd or SBEC Bioenergy Ltd.</p> <p>Shri Mahendra Kumar Modi, Shri Manish Modi, Shri Rakesh Kumar Modi and Shri Santosh Kumar Aggarwal are not associated with either SBEC Sugar Ltd or SBEC Bioenergy Ltd in any manner whatsoever.</p> <p><b><u>Further Clarification in relation to issue of Wilful Defaulter</u></b></p> <p>Modi Industries Limited (MIL) was declared sick by the Board for Industrial and Financial Reconstruction ("BIFR") under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA")</p>



CIN : L15421UP1991RLC019160

REGD. OFFICE : MALAKPUR, BARAUT, DISTT. BAGHPAT-250 611 (U.P.) TEL. : 01234-259206, 259273, FAX : 259200

E-mail : investors@sbecsugar.com

vide order dated 14.03.1991 and IDBI was appointed as the Operating Agency ("OA") and since then attempts have been made to revive it by preparing a viable DRS in accordance with the above understanding.

Right upto 2004, efforts were made to prepare a DRS for MIL. In the year 2004, the FIs notified the promoters of MIL that since no appropriate proposal for revival of MIL was forthcoming, the FIs were considering to realize their dues by selling the assets of the MIL.

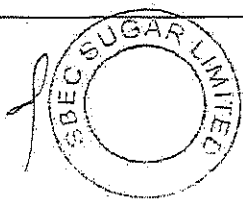
On 22.4.2005, Shri Umesh Kumar Modi submitted his proposal based on assignment of debt to the OA for the consideration of FIs and Banks and for approval by the BIFR. The aforesaid proposal was discussed and unanimously approved by all the secured creditors in a meeting held on 20.05.2005. The same was also recorded in the minutes of meeting.

The Financial Institutions (FIs) expressed their decision to exit from MIL by assigning the debt.

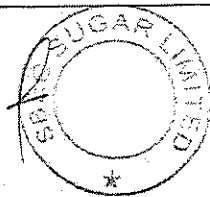
Shri. Umesh Kumar Modi accepted the decision of the FIs and in fact, based on the representations and assurances given by the FIs, Shri. Umesh Kumar Modi proceeded to arrange the repayments to the FIs against the assignment of their debts even before the DRS in terms thereof was finalized and approved.

The liability of the three major financial institutions i.e. 1.) IDBI, 2.) PNB and 3.) IFCI was settled under an One Time Settlement scheme by way of assignment of debt between 2007-2009.

Thereafter in and around August, 2017 the debt of International Asset Reconstruction (assignee of debt of ICICI Bank) has also been settled through the good office of Shri Umesh Kumar Modi by way of assignment of Debt in favour of the payer of the Debt.



		<p>It is also noteworthy to mention that IDBI Bank had in the year 2010 and during the directorship of Shri Umesh Kumar Modi, sanctioned a credit facility of Rs. 45,00, 00, 000/- (Rupees Forty Five Crores only) to SBEC Sugar Limited, which would not have been possible had Shri Umesh Kumar Modi been a Wilful Defaulter.</p> <p>Shri Umesh Kumar Modi is continuing his efforts to settle other secured creditors.</p>
2.	<p><b>(2) List of Vanishing Companies</b></p> <p>1. Raj Kumar Sharma (Promoter/Director) in the matter of Zodiac Cements Ltd. having address at Bangar Theatre, Hissar road, Rohtak</p>	<p>It is submitted that Shri Raj Kumar Sharma (DIN:- 01930532) having address at Bangar House, Opp. Central Co-operative Bank, Delhi Road, Rohtak-124001 and who is involved in the matter of Zodiac Cements Ltd. is not connected with either SBEC Sugar Ltd or SBEC Bioenergy Ltd in any manner whatsoever.</p> <p>It is further submitted that one Shri R K Sharma (DIN:- 07741845) having address at 83, Satish Park Modinagar Ghaziabad-201204 UP, is a Manager of SBEC Sugar Ltd and he is not connected in any manner with either Shri Raj Kumar Sharma (DIN:- 01930532) having address at Bangar House, Opp. Central Co-operative Bank, Delhi Road, Rohtak-124001 or Zodiac Cements Ltd.</p>
3.	<p><b>(3) (i) SEBI ATR Database</b></p> <p>1. Jayesh Modi in the matter of SBEC Sugar Limited</p> <p>2. Kumkum Modi in the matter of SBEC Sugar Limited</p> <p>3. Longwell Investments Private Ltd in the matter of SBEC Sugar Ltd; and</p> <p>4. SBEC Systems (INDIA) Ltd in the matter of SBEC Sugar Limited</p>	<p>Shri. Jayesh Modi is the son of Shri Umesh Kumar Modi and is presently a Promoter Director of SBEC Sugar Ltd.</p> <p>Smt. Kumkum Modi is the wife of Shri Umesh Kumar Modi and is presently a Promoter Director of SBEC Sugar Ltd.</p> <p>Longwell Investments Private Ltd and SBEC Systems (INDIA) Ltd are both promoters of SBEC Sugar Ltd.</p> <p><b><u>Further Clarification in the Matter of SBEC Sugar Ltd.</u></b></p>

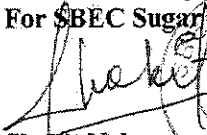


		<p>It is submitted that on 27<sup>th</sup> March, 2017 SEBI issued Show Cause Notice under Section 11 and 11B of the SEBI Act, 1992 and Regulation 32 and 35 of SEBI SAST Regulation, 2011 in the matter of SBEC Sugar Ltd.</p> <p>The promoters of SBEC Sugar Ltd. have submitted their detailed reply dated 19<sup>th</sup> May, 2017 to the aforesaid Show Cause Notice. Pursuant to the above reply personal hearing was conducted before the Ld. Whole Time Member of SEBI Shri G. Mahalingam on 12<sup>th</sup> September, 2017. Subsequently as per directions of the Ld. Whole Time Member of SEBI Shri G. Mahalingam, post hearing written submissions have also been filed. There has been no further developments in the matter.</p>
4.	<p><b>(3) (ii) SEBI ATR Database</b></p> <p>1. Raj Kumar Sharma in matter of PS IT Infrastructure &amp; Services Ltd</p>	<p>It is submitted that Shri Raj Kumar Sharma who is involved in the matter of PS IT Infrastructure &amp; Services Ltd, is not connected with either SBEC Sugar Ltd or SBEC Bioenergy Ltd in any manner whatsoever.</p> <p>It is further submitted that one Shri R K Sharma (DIN:- 07741845) having address at 83, Satish Park Modinagar Ghaziabad-201204 UP, is a Manager of SBEC Sugar Ltd and he is not connected in any manner with Shri Raj Kumar Sharma in the matter of PS IT Infrastructure &amp; Services Ltd.</p>
	<p>2. Rajeev Kumar Agarwal in the matter of Moryo Industries Ltd</p>	<p>It is submitted that Shri Rajeev Kumar Agarwal who is involved in the matter of Moryo Industries Ltd, is not connected with either SBEC Sugar Ltd or SBEC Bioenergy Ltd in any manner whatsoever.</p> <p>It is further submitted that one Shri Rajeev Kumar Agarwal (DIN:- 00298252) having address at 45, 3<sup>rd</sup> Floor NRI Complex, GK-4 New Delhi-110019, is an Independent Director of both SBEC Sugar Ltd and SBEC Bioenergy Ltd and he is not connected in</p>



		any manner with Shri Rajeev Kumar Agarwal in the matter of Moryo Industries Ltd
	3. Rajeev Kumar Agarwal-Manager-Bharatiya Global Infomedia Ltd. in the matter of Bharatiya Global Infomedia Ltd.	It is submitted that Shri Rajeev Kumar Agarwal Manager-Bharatiya Global Infomedia Ltd who is involved in the matter of Bharatiya Global Infomedia Ltd is not connected with either SBEC Sugar Ltd or SBEC Bioenergy Ltd in any manner whatsoever.
		It is further submitted that one Shri Rajeev Kumar Agarwal (DIN:- 00298252) having address at 45, 3 <sup>rd</sup> Floor NRI Complex, GK-4 New Delhi-110019, is an Independent Director of both SBEC Sugar Ltd and SBEC Bioenergy Ltd and he is not connected in any manner with either Rajeev Kumar Agarwal-Manager-Bharatiya Global Infomedia Ltd. or Bharatiya Global Infomedia Ltd.

Thanking You,  
Yours Faithfully,  
For SBEC Sugar Limited

  
Shobit Nehra  
Company Secretary

